

BASIC FINANCIAL STATEMENTS



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Statement of Net Assets

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 65,807,980	\$ 24,057,207	\$ 89,865,187
Restricted cash	5,338,142	82,824,030	88,162,172
Investments	16,179,055	3,245,877	19,424,932
Receivables	26,247,041	25,193,446	51,440,487
Prepaid expenses	4,099	870,836	874,935
Internal balances	2,302,137	(2,302,137)	-
Due from City			-
Inventories	589,385	889,349	1,478,734
Total current assets	116,467,839	134,778,608	251,246,447
Noncurrent assets:			
Land held for resale			-
Capital assets, net of depreciation	173,781,497	517,958,279	691,739,776
Pension asset	17,857,717		17,857,717
Deferred professional fees, net	329,428	2,054,524	2,383,952
Receivables		5,741,227	5,741,227
Other		285,285	285,285
Total noncurrent assets	191,968,642	526,039,315	718,007,957
Total Assets	\$ 308,436,481	\$ 660,817,923	\$ 969,254,404
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 11,077,097	\$ 8,578,312	\$ 19,655,409
Retainage payable		2,120,603	2,120,603
Accrued liabilities	3,858,567	12,412,637	16,271,204
Other liabilities	1,296,477		1,296,477
Insurance claims payable	804,454		804,454
Due to school district	22,643,986		22,643,986
Deferred revenue	18,212,077	73,201	18,285,278
Taxes collected in advance	26,186,396		26,186,396
Total current liabilities	84,079,054	23,184,753	107,263,807
Noncurrent liabilities:			
Due within one year	24,991,194	13,230,373	38,221,567
Other liabilities due within one year		868,835	868,835
Due in more than one year	127,652,344	317,414,009	445,066,353
Other liabilities due in more than one year			-
Bond discounts		(5,181,278)	(5,181,278)
Total noncurrent liabilities	152,643,538	326,331,939	478,975,477
Total Liabilities	236,722,592	349,516,692	586,239,284
NET ASSETS			
Investment in capital assets, net of related debt	84,480,112	225,163,369	309,643,481
Restricted for:			
Coverage account		13,845,394	13,845,394
Manchester Regional Industrial Foundation		1,166,851	1,166,851
PFCs		4,577,382	4,577,382
MSDC		5,214,905	5,214,905
Revenue bond O&M		5,961,000	5,961,000
Revenue bond fund		10,713,087	10,713,087
Workmen's compensation	2,964,110		2,964,110
Cemetery and other trust funds	11,925,653		11,925,653
Library trust funds	2,655,562		2,655,562
Designated for:			
Land held for resale			-
Equipment replacement		278,986	278,986
Unrestricted	(30,311,548)	44,380,257	14,068,709
Total Net Assets	\$ 71,713,889	\$ 311,301,231	\$ 383,015,120
See accompanying notes.			

Component Units		
Manchester School District	Manchester Transit Authority	Manchester Development Corporation
\$ 6,101,523	\$ 1,004,737	\$ 1,734,420 34,398
3,714,893 13,382	506,969 48,634	645,738
22,643,986	162,671	
<u>32,473,784</u>	<u>1,723,011</u>	<u>2,414,556</u>
5,259,572	2,129,243	504,187
<u>5,259,572</u>	<u>2,129,243</u>	<u>504,187</u>
<u>\$ 37,733,356</u>	<u>\$ 3,852,254</u>	<u>\$ 2,918,743</u>
\$ 2,148,565	\$ 17,689	
14,341,212	37,003	\$ 33,930 50,401
25,215,226	5,402	
<u>41,705,003</u>	<u>60,094</u>	<u>84,331</u>
1,822,918		
4,771,685	301,942	
<u>6,594,603</u>	<u>301,942</u>	<u>-</u>
<u>48,299,606</u>	<u>362,036</u>	<u>84,331</u>
5,259,572	2,129,243	
49,484 (15,875,306)	975,262 385,713	504,187 2,330,225
<u>\$ (10,566,250)</u>	<u>\$ 3,490,218</u>	<u>\$ 2,834,412</u>

Statement of Activities

	Expenses	Program Revenues		
		Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
General government	\$ 32,560,283	\$ 10,097,598	\$ 11,429,867	
Public safety	37,765,649	2,161,469	1,376,437	
Health and sanitation	4,196,162	1,375,369	1,203,218	
Highways and streets	28,905,257	6,288,694	6,199,844	
Welfare	1,404,958	107,019		
Education and library	3,816,562		8,965	
Parks and recreation	4,724,302	835,795	605,682	
Cemetery Trust	36,037			
Investment management fee	23,511			
Total governmental activities	113,432,721	20,865,944	20,824,013	-
Business-type activities				
Water	9,796,790	9,989,204		2,673,613
EPD	11,308,620	11,332,387	325,855	997,522
Aviation	50,322,106	42,050,284	6,768,504	25,527,921
Recreation	2,353,924	2,274,829		
Aggregation	134,986	182,090		
Total business-type activities	73,916,426	65,828,794	7,094,359	29,199,056
Total primary government:	\$ 187,349,147	\$ 86,694,738	\$ 27,918,372	\$ 29,199,056
Component units				
Manchester School District	136,173,457	16,539,326	87,600,928	332,922
Manchester Transit Authority	4,907,432	2,537,721	1,761,573	80,515
Manchester Development Corporation	69,767			
Total component units	\$ 141,150,656	\$ 19,077,047	\$ 89,362,501	\$ 413,437
General revenues:				
Property taxes				
Auto registration fees				
Franchise fees				
Unrestricted investment earnings				
Debt reimbursement from MSD				
Donation of land				
Loss on disposal of assets				
Total general revenues				
Change in net assets (deficits)				
Net assets (deficits) - beginning				
Net assets (deficits) - ending				
See accompanying notes.				

City of Manchester New Hampshire
For the Fiscal Year Ended June 30, 2003

Net (Expense) Revenue and Changes in Net Assets (Deficits)					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Manchester School District	Manchester Transit Authority	Manchester Development Corporation
\$ (11,032,818)		\$ (11,032,818)			
(34,227,743)		(34,227,743)			
(1,617,575)		(1,617,575)			
(16,416,719)		(16,416,719)			
(1,297,939)		(1,297,939)			
(3,807,597)		(3,807,597)			
(3,282,825)		(3,282,825)			
(36,037)		(36,037)			
(23,511)		(23,511)			
(71,742,764)	-	(71,742,764)			
	2,866,027	2,866,027			
	1,347,144	1,347,144			
	24,024,603	24,024,603			
	(79,095)	(79,095)			
	47,104	47,104			
-	28,205,783	28,205,783			
<u>\$ (71,742,764)</u>	<u>\$ 28,205,783</u>	<u>\$ (43,536,981)</u>			
			\$ (31,700,281)	\$ (527,623)	\$ (69,767)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31,700,281)</u>	<u>\$ (527,623)</u>	<u>\$ (69,767)</u>
58,168,059		58,168,059	34,512,636		
13,873,904		13,873,904			
995,354		995,354			
1,087,525	2,626,689	3,714,214	129,158	11,726	75,837
5,985,063		5,985,063			
	(723,590)	(723,590)			
(147,804)	(940,727)	(1,088,531)		10,671	
<u>79,962,101</u>	<u>962,372</u>	<u>80,924,473</u>	<u>34,641,794</u>	<u>22,397</u>	<u>75,837</u>
8,219,337	29,168,155	37,387,492	2,941,513	(505,226)	6,070
63,494,552	282,133,076	345,627,628	(13,507,763)	3,995,444	2,828,342
<u>\$ 71,713,889</u>	<u>\$ 311,301,231</u>	<u>\$ 383,015,120</u>	<u>\$ (10,566,250)</u>	<u>\$ 3,490,218</u>	<u>\$ 2,834,412</u>

**Balance Sheet
Governmental Funds**

**City of Manchester, New Hampshire
June 30, 2003**

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 62,840,860	\$ 36,594	\$ 2,930,526	\$ 65,807,980
Restricted cash and cash equivalents	2,074,460		3,263,682	5,338,142
Investments	511,328		15,667,727	16,179,055
Receivables, net of allowances for collection losses	20,096,729	10,748	4,610,474	24,717,951
Prepaid items	4,099			4,099
Due from other funds	10,493,960			10,493,960
Inventories	589,385			589,385
Total Assets	<u>\$ 96,610,821</u>	<u>\$ 47,342</u>	<u>\$ 26,472,409</u>	<u>\$ 123,130,572</u>
<u>Liabilities and Fund Equity</u>				
Liabilities				
Accounts and warrants payable	\$ 4,672,490	\$ 2,761,467	\$ 3,643,140	\$ 11,077,097
Accrued liabilities	1,397,348	615,000	65,590	2,077,938
Insurance claims payable	804,454			804,454
Due to other funds		5,039,968	2,074,019	7,113,987
Due to Manchester School District	23,550,478			23,550,478
Deferred revenue	17,190,758		2,987,734	20,178,492
Taxes collected in advance	26,186,396			26,186,396
Other			77,725	77,725
Total Liabilities	<u>73,801,924</u>	<u>8,416,435</u>	<u>8,848,208</u>	<u>91,066,567</u>
Fund Equity				
Fund balances				
Reserved for				
Encumbrances	1,272,469	1,305,156	559,565	3,137,190
Cemetery and other trust funds			11,925,652	11,925,652
Library			2,655,562	2,655,562
Inventory	589,385			589,385
Advances	1,623,865			1,623,865
Workers' compensation	2,964,110			2,964,110
Designated for				
Health insurance	1,879,840			1,879,840
General liability insurance	711,195			711,195
Special revenue	848,437			848,437
Tax rate stabilization	1,981,568			1,981,568
Revenue stabilization	9,633,624			9,633,624
Unreserved, reported in:				
General fund	1,304,404			1,304,404
Capital projects		(9,674,249)		(9,674,249)
Special revenue			2,483,422	2,483,422
Total Fund Equity	<u>22,808,897</u>	<u>(8,369,093)</u>	<u>17,624,201</u>	<u>32,064,005</u>
Total Liabilities and Fund Balances	<u>\$ 96,610,821</u>	<u>\$ 47,342</u>	<u>\$ 26,472,409</u>	<u>\$ 123,130,572</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	173,781,497
Pension asset created in governmental activities is not a financial resource and, therefore, is not reported in the funds.	17,857,717
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,274,131
Long-term liabilities consisting of bonds payable are not due and payable in current period and, therefore, are not reported in the funds.	(152,589,546)
Long-term liabilities consisting of accruals are not due and payable in the current period and, therefore, are not reported in the funds.	(673,915)
	<u>\$ 71,713,889</u>

See accompanying notes.

Statement of Revenues,
Expenditures and Changes in Fund Balances (Deficit)
Governmental Funds

City of Manchester, New Hampshire
Year Ended June 30, 2003

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>				
Taxes	\$ 59,369,549			\$ 59,369,549
Federal and state grants and aid	7,549,154	\$ 4,054,014	\$ 9,152,463	20,755,631
Nonenterprise charges for sales and services	4,491,647		122,228	4,613,875
Licenses and permits	20,521,738			20,521,738
Interest	736,111		351,414	1,087,525
Contributions			117,529	117,529
Net loss on sale of securities			75,061	75,061
Other	8,594,706		740,482	9,335,188
Total Revenues	101,262,905	4,054,014	10,559,177	115,876,096
<u>Expenditures</u>				
Current:				
General government	18,658,422	5,332,620	6,732,051	30,723,093
Public safety	35,444,763	2,167,584	1,294,921	38,907,268
Health and sanitation	2,462,857	10,560	1,479,154	3,952,571
Highway and streets	19,902,962	7,393,925	1,839,580	29,136,467
Welfare	1,352,284		20,942	1,373,226
Education	2,145,815	19,134	100,185	2,265,134
Parks and recreation	2,992,399	881,131	839,448	4,712,978
Cemetery Trust			34,000	34,000
Investment management fee			23,511	23,511
Debt service:				
Principal retirement	10,890,802			10,890,802
Interest	5,181,212			5,181,212
Total Expenditures	99,031,516	15,804,954	12,363,792	127,200,262
Excess (Deficiency) of revenues over expenditures	2,231,389	(11,750,940)	(1,804,615)	(11,324,166)
<u>Other Financing Sources (Uses)</u>				
Transfers in	561,912		2,025,842	2,587,754
Transfers out	(1,790,165)	(2,278)	(789,242)	(2,581,685)
Total Other Financing Sources (Uses)	(1,228,253)	(2,278)	1,236,600	6,069
Net Change in Fund Balances	1,003,136	(11,753,218)	(568,015)	(11,318,097)
Fund Balance , beginning	21,805,761	3,384,125	18,192,216	43,382,102
Fund Balance (Deficit), ending	\$ 22,808,897	\$ (8,369,093)	\$ 17,624,201	\$ 32,064,005

See accompanying notes.



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General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Budget Basis)

City of Manchester, New Hampshire
Year Ended June 30, 2003

	Original Budget	Revised Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Taxes	\$ 60,069,227	\$ 60,069,227	\$ 59,031,492	\$ (1,037,735)
Federal and state grants and aid	6,673,980	6,673,980	6,748,291	74,311
Nonenterprise charges for sales and services	4,646,081	4,646,081	4,491,647	(154,434)
Licenses and permits	20,886,977	20,886,977	20,537,970	(349,007)
Interest	1,816,000	1,816,000	736,111	(1,079,889)
Other	9,385,445	9,385,445	7,928,112	(1,457,333)
Total Revenues	103,477,710	103,477,710	99,473,623	(4,004,087)
<u>Expenditures</u>				
Current:				
General government	20,413,968	20,830,650	18,770,932	2,059,718
Public safety	35,754,088	35,634,088	34,690,543	943,545
Health and sanitation	2,805,523	2,805,523	2,475,542	329,981
Highway and streets	21,077,677	20,843,113	20,473,882	369,231
Welfare	1,476,875	1,476,875	1,345,431	131,444
Education	2,306,852	2,283,783	2,148,845	134,938
Parks and recreation	3,230,547	3,191,498	3,018,319	173,179
Debt service:				
Principal retirement	10,890,802	10,890,802	10,890,802	
Interest	5,181,213	5,181,213	5,181,213	
Total Expenditures	103,137,545	103,137,545	98,995,509	4,142,036
Excess of revenues over expenditures	340,165	340,165	478,114	137,949
<u>Other Financing Sources (Uses)</u>				
Transfers in	350,000	350,000	306,169	(43,831)
Transfers out	(1,790,165)	(1,790,165)	(1,790,165)	
Total Other Financing Sources (Uses)	(1,440,165)	(1,440,165)	(1,483,996)	(43,831)
Net Change in Fund Balances	\$ (1,100,000)	\$ (1,100,000)	\$ (1,005,882)	\$ 94,118

See accompanying notes.

	Business-type Activities-Enterprise Funds				
	Water Works Fund	Major EPD Fund	Aviation Fund	Non-Major Funds	Total
ASSETS					
Current assets:					
Cash and cash equivalents		\$ 24,057,207			\$ 24,057,207
Restricted cash and cash equivalents	\$ 4,418,497	673,924	\$ 77,731,609		82,824,030
Restricted investments			3,245,877		3,245,877
Receivables, net of allowances for collection losses	2,432,277	4,608,296	17,955,778	\$ 197,095	25,193,446
Prepaid items	253,100		587,000	30,736	870,836
Due from other funds	394,467				394,467
Inventories	735,445	46,088	101,908	5,908	889,349
Total current assets:	8,233,786	29,385,515	99,622,172	233,739	137,475,212
Noncurrent assets:					
Capital assets, net, where applicable, of accumulated depreciation	69,096,428	110,984,726	333,851,942	4,025,183	517,958,279
Deferred charges			2,015,596	38,928	2,054,524
Receivables		5,741,227			5,741,227
Other receivables		285,285			285,285
Total noncurrent assets:	69,096,428	117,011,238	335,867,538	4,064,111	526,039,315
Total Assets	\$ 77,330,214	\$ 146,396,753	\$ 435,489,710	\$ 4,297,850	\$ 663,514,527
Liabilities					
Current liabilities					
Accounts and warrants payable	\$ 516,000	\$ 1,085,248	\$ 6,874,207	\$ 102,857	\$ 8,578,312
Retainage payable		394,938	1,725,665		2,120,603
Accrued liabilities	630,065	1,539,449	10,208,704	34,419	12,412,637
Due to other funds	671,112			2,025,492	2,696,604
Deferred revenue			73,201		73,201
Bonds and notes payable	832,233	5,790,454	5,050,000	121,600	11,794,287
Compensated absences	930,549	234,532	119,190	151,815	1,436,086
Other	821,426	47,409			868,835
Total Current liabilities	4,401,385	9,092,030	24,050,967	2,436,183	39,980,565
Noncurrent liabilities					
Bonds payable	9,424,225	27,037,247	266,203,722	824,400	303,489,594
Notes Payable	1,753,431	6,766,600			8,520,031
Deferred Revenue			129,684	18,794	148,478
Other			74,628		74,628
Total Noncurrent liabilities	11,177,656	33,803,847	266,408,034	843,194	312,232,731
Total Liabilities	15,579,041	42,895,877	290,459,001	3,279,377	352,213,296
Net Assets					
Invested in Capital Assets, net of related debt	60,484,925	71,390,425	90,208,836	3,079,183	225,163,369
Restricted	5,214,905	278,986	36,263,714		41,757,605
Unrestricted	(3,948,657)	31,831,465	18,558,159	(2,060,710)	44,380,257
Total Net Assets	\$ 61,751,173	\$ 103,500,876	\$ 145,030,709	\$ 1,018,473	\$ 311,301,231

Proprietary Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets

City of Manchester, New Hampshire
Year Ended June 30, 2003

	Business-type Activities-Enterprise Funds				
	Major				
	Water Works Fund	EPD Fund	Aviation Fund	Non-major Funds	Total
<u>Operating Revenues</u>					
Charges for goods and services	\$ 10,032,235	\$ 11,225,665	\$ 32,342,749	\$ 2,366,092	\$ 55,966,741
Other			3,044,487	51,928	3,096,415
Total Operating Revenues	10,032,235	11,225,665	35,387,236	2,418,020	59,063,156
<u>Operating Expenses</u>					
Personnel services	4,681,087	2,574,297	4,237,332	1,471,774	12,964,490
Plant maintenance	512,478	1,700,390	2,182,001	83,703	4,478,572
Light/heat and power	835,177	1,631,374	1,585,245	281,411	4,333,207
General and administrative	1,371,017	509,004	12,188,102	270,289	14,338,412
Depreciation and amortization	2,126,843	4,525,236	10,426,537	331,068	17,409,684
Total Operating Expenses	9,526,602	10,940,301	30,619,217	2,438,245	53,524,365
Operating Income (Loss)	505,633	285,364	4,768,019	(20,225)	5,538,791
<u>Non-Operating Revenues (Expenses), net</u>					
Soundproofing program grant			6,768,504		6,768,504
Soundproofing program expense			(6,516,717)		(6,516,717)
Interest income	313,084	356,016	2,252,535		2,921,635
Interest expense	(532,366)	(1,091,910)	(12,974,092)	(83,433)	(14,681,801)
Reimbursements of bond interest expense		285,507			285,507
Finance and service charges		106,722	(212,078)		(105,356)
Passenger facility charges			4,632,085		4,632,085
Customer facility charges			2,030,963		2,030,963
Rent and other income	(43,031)			38,899	(4,132)
Donation of land		(723,590)			(723,590)
Loss on disposal of fixed assets	(192,410)	(20,269)	(4,459)		(217,138)
Total Non-operating Expenses	(454,723)	(1,087,524)	(4,023,259)	(44,534)	(5,610,040)
Net income (loss) before capital contributions	50,910	(802,160)	744,760	(64,759)	(71,249)
Capital Contributions	2,673,613	1,037,870	25,527,921		29,239,404
Change in Net Assets	2,724,523	235,710	26,272,681	(64,759)	29,168,155
Fund Net Assets, beginning of year	59,026,650	103,265,166	118,758,028	1,083,232	282,133,076
Fund Net Assets, end of year	\$ 61,751,173	\$ 103,500,876	\$ 145,030,709	\$ 1,018,473	\$ 311,301,231

Proprietary Funds
Statement of Cash Flows

City of Manchester, New Hampshire
Year Ended June 30, 2003

	Business-type Activities-Enterprise Funds				Total
	Water Works Fund	Major EPD Fund	Aviation Fund	Non-Major Funds	
Cash Flows from Operating Activities					
Cash received from customers	\$ 9,572,978	\$ 11,646,798	\$ 34,056,058	\$ 2,275,939	\$ 57,551,773
Cash payments for goods and services	(2,877,398)	(4,578,587)	(16,434,972)	(648,942)	(24,539,899)
Cash payments to employees for services	(4,670,004)	(2,466,793)	(4,215,003)	(1,449,451)	(12,801,251)
Other operating revenues				74,982	74,982
Net Cash Provided by Operating Activities	2,025,576	4,601,418	13,406,083	252,528	20,285,605
Cash Flows from Non-Capital and Related Financing Activities					
Amounts from federal & state governments for soundproofing			6,768,504	-	6,768,504
Soundproofing related expenses			(6,516,717)	-	(6,516,717)
Passenger and customer facility charges			6,572,048	-	6,572,048
Interest paid on cash advances				(27,238)	(27,238)
Short-term cash advance from City	671,112			76,344	747,456
Net Cash Provided by Non-Capital & Related Financing Activities	671,112	-	6,823,835	49,106	7,544,053
Cash Flows from Capital and Related Financing Activities					
Proceeds from State of New Hampshire Revolving Fund	1,753,431	3,590,705		-	5,344,136
Reimbursement of bond interest expenses		305,878		14,917	320,795
Payments for State of New Hampshire liability		(4,932,750)		-	(4,932,750)
Principal paid on bonds	(866,585)	(920,914)	(4,465,000)	(151,600)	(6,404,099)
Interest paid on bonds	(532,366)	(1,193,205)	(10,103,368)	(57,354)	(11,886,293)
Contributed capital by federal, state & local governments	2,673,613	1,556,022	20,431,718	-	24,661,353
Acquisition and construction of capital assets	(5,666,378)	(7,852,527)	(56,195,373)	(222,597)	(69,936,875)
Proceeds from sale of capital assets				115,000	115,000
Net Cash Used in Capital & Related Financing Activities	(2,638,285)	(9,446,791)	(50,332,023)	(301,634)	(62,718,733)
Cash Flows from Investing Activities					
Sale of investment securities			648,893	-	648,893
Interest and dividends from investments	313,084	446,570	2,252,535	-	3,012,189
Net Cash Provided by Investing Activities	313,084	446,570	2,901,428	-	3,661,082
Net Increase (Decrease) in Cash and Cash Equivalents	371,487	(4,398,803)	(27,200,677)	-	(31,227,993)
Cash and Cash Equivalents at Beginning of Year	4,047,010	29,129,934	104,932,286	-	138,109,230
Cash and Cash Equivalents at End of Year	\$ 4,418,497	\$ 24,731,131	\$ 77,731,609	\$ -	\$ 106,881,237
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 505,633	\$ 285,364	\$ 4,768,019	\$ (20,225)	\$ 5,538,791
Adjustments to reconcile operating income (loss) to cash provided by operating activities:					
Depreciation and amortization	2,126,843	4,525,236	10,426,537	331,068	17,409,684
Non-operating revenue				23,982	23,982
Change in Assets and Liabilities					
(Increase) decrease in receivables	(459,257)	264,865	(1,350,373)	(3,235)	(1,548,000)
(Increase) decrease in inventories	(11,799)	10,692	(101,908)	-	(103,015)
Increase in prepaid expenses and other assets	(163,179)	(8,943)	(412,939)	(30,736)	(615,797)
Increase (decrease) in accounts payable	(189,426)	(800,642)	(569,255)	15,198	(1,544,125)
Increase (decrease) in accrued liabilities	214,782	305,541	604,478	(91,213)	1,033,588
Increase in compensated absences	11,083	19,305	22,329	22,323	75,040
Increase in Deferred Revenue			19,195	5,366	24,561
Decrease in interfund liabilities	(9,104)				(9,104)
Net Cash Provided by Operating Activities	\$ 2,025,576	\$ 4,601,418	\$ 13,406,083	\$ 252,528	\$ 20,285,605
Schedule of Noncash Investing, Capital and Financing Activities					
Transfer of Debt to General fund				25,000	25,000
Donation of land		723,590			723,590

Fiduciary Funds
Statement of Fiduciary Net Assets

City of Manchester, New Hampshire
Year ended June 30, 2003

	<u>Pension Trust Funds</u>	<u>Agency Fund</u>
Assets		
Cash and cash equivalents	\$ 10,190,659	
Investments	83,463,697	
Receivables, net of allowances for collection losses	436,709	\$ 1,077,836
Other assets	8,927	
Capital assets, net, where applicable, of accumulated depreciation	240,975	
Total Assets	\$ 94,340,967	\$ 1,077,836
 Liabilities		
Accounts and warrants payable	\$ 137,940	
Accrued liabilities	562,762	
Due to other funds		\$ 1,077,836
Total Liabilities	700,702	\$ 1,077,836
 Net Assets		
Held in trust for Employees' Retirement System	\$ 93,640,265	

See accompanying notes.

Fiduciary Trusts
Statement of Changes in Fiduciary Net Assets

City of Manchester New Hampshire
Year Ended June 30, 2003

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer	\$ 1,794,576
Plan members	1,531,458
Total Contributions	<u>3,326,034</u>
Investment Gain (Loss)	
Net realized and unrealized depreciation in fair value of investments	(10,175,748)
Interest	1,403,694
Dividends	1,067,951
Less investment expense	(380,435)
Net Investment Loss	<u>(8,084,538)</u>
Total Additions (Reductions)	<u>(4,758,504)</u>
Deductions	
Benefits paid directly to participants	6,566,563
Refunds of employee contributions	301,901
Administrative expenses	645,320
Total Deductions	<u>7,513,784</u>
Net Decrease	(12,272,288)
Net Assets Held in Trust for Pension Benefits	
Beginning of year	105,912,553
End of year	<u>\$ 93,640,265</u>